

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

April 25, 2002

CA Congressional Member
Office Building
Washington, D.C. 20510

Dear California Congressional Member:

We are writing to express our concerns regarding current trade negotiations and proposed "Trade Promotion Authority", also known as "Fast Track".

As California State elected officials we are deeply concerned that trade and investment agreements could have a deep and far reaching impact on our lawmaking ability. We consider trade to be of paramount importance, but believe that as the scope of trade and investment agreements expands beyond matters of tariffs and quotas to those involving the ways in which we regulate the environment, food safety, water dealings, labor protections and other issues, state actions have increasingly fallen, in unintended ways, within the scope of these new trade rules.

Specifically, we are concerned over the inclusion of investment provisions granting foreign investors new rights to seek compensation for actions taken by state, local or federal governments that may impact them economically, characterizing them as "expropriations". We believe that similar provisions may be included in future trade and investment agreements unless the pending trade promotion legislation, H.R. 3005, is amended to include mandatory negotiating language that ensures that foreign investors receive no greater rights than those provided to U.S. citizens. Relinquishing trade promotion authority to the Executive Branch without stating clear negotiating objectives would move the process further away from the scrutiny necessary to ensure fair and equitable trade rules.

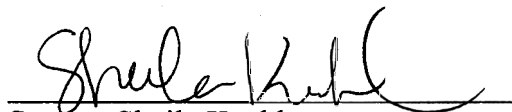
These concerns are all the more relevant because of the breadth and scope of pending trade agreements that will come before Congress for consideration. For example; a new U.S. – Chile agreement is nearing completion, in addition to several other bi-lateral agreements; the Free Trade Area of the Americas (FTAA) is a pending trade agreement with broad implications for the 34 nations of the Western Hemisphere and the WTO ministerial in Doha recently authorized several global agreements, including new commitments to add health care, water and education to the list of areas covered by these agreements.

These agreements would cover many services that have traditionally been provided or regulated by state and local governments, including land use, health care, construction, transportation, insurance, banking, health facilities, environmental services, liquor sales, business services and professional services, and would severely limit the traditional authority of state and local governments to legislate in serving the broader public interest. Under GATS, state and local governments would be required to notify all 144 WTO members each time a service regulation is even considered and to wait for comments before proceeding, a clear deviation from our federalist system established by the U.S. Constitution, which provides state and local governments jurisdiction over the regulation of services.


For these reasons, we believe that trade and investment agreements deserve more scrutiny not less, and are convinced that there must be more diligent oversight, accountability and broad based participation in the making of these policies. We urge you to oppose H.R. 3005 unless it explicitly limits international rules or negotiating authority with respect to these concerns.


Thank you for your consideration in these matters.

Sincerely,



Senator Sheila Kuehl



Senate President Pro Tem
John Burton



Senate Majority Whip Richard Alarcon


Senator Don Perata

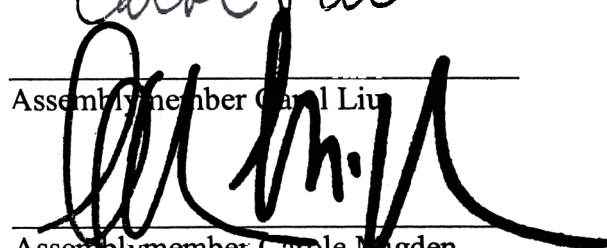

Assembly Speaker Pro Tem
Fred Keeley

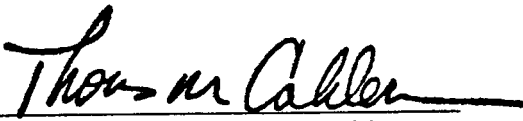

Assemblymember Virginia
Strom Martin


Assemblymember John Longville

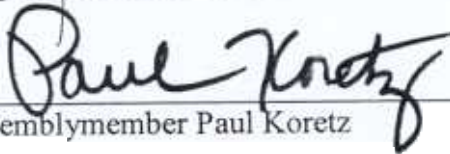

Assemblymember Carol Liu


Assemblymember Sarah Reyes


Assemblymember Carole Magden

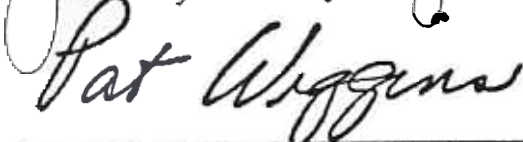

Assemblymember Thomas Calderon

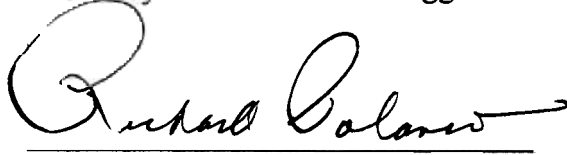

Assemblymember Dario Frommer

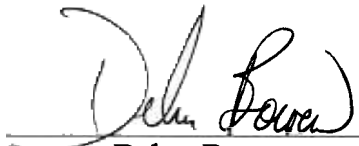

Assemblymember Paul Koretz


Senator Gloria Romero

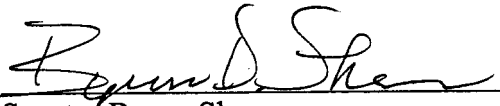

Assemblymember Jackie Goldberg

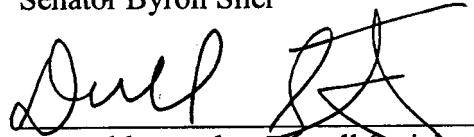

Assemblymember Patricia Wiggins

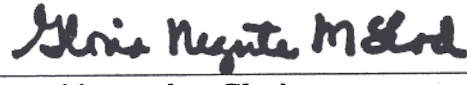

Senate Majority Leader Richard Polanco

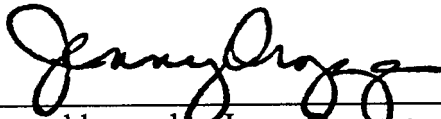

Senator Debra Bowen


Senator Tom Torlakson

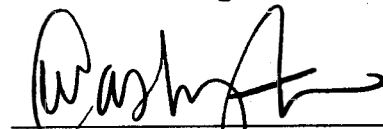

Senator Byron Sher



Assemblymember Darrell Steinberg


Assemblymember Gloria
Negrete McLeod


Assemblymember Jenny Oropeza


Majority Floor Leader Marco Firebaugh


Assemblymember Carl Washington


Assemblymember Dion Aroner


Senator Jack Scott

Cc: Governor Davis
California Congressional Delegation